

# CONCORD FOOD COOPERATIVE, INC. BYLAWS

## ARTICLE I

### Government

The business and affairs of the Concord Food Cooperative, Inc., a corporation in the State of New Hampshire and hereafter referred to as the Co-op, shall be conducted in accordance with the following cooperative principles as promulgated by the International Cooperative Alliance:

1. **Open Membership.** Without gender, social, racial, political, or religious discrimination.
2. **Democratic Member Control.** One vote for each Member, with no proxy votes.
3. **Member Economic Participation.** Members contribute equitably to the capital of the Co-op and decide how to allocate any surplus income.
4. **Autonomy and Independence.** No agreements with outside entities that fail to ensure democratic control of the Co-op by its Members.
5. **Education, Training, and Information.** So Members, Directors, and employees can contribute to the development of the Co-op and inform the general public about the nature and benefits of cooperation.
6. **Cooperation among Cooperatives.** Strengthening the cooperative movement by working together through local, regional, national and international alliances.
7. **Concern for Community.** By working to assure it thrives and is developed sustainably.

## ARTICLE II

### Business Practices

#### SECTION 1.

**Name of Store.** The main store operated by the Co-op shall be known as the CONCORD FOOD CO-OP or by any other business name(s) the Board of Directors shall determine from time to time, provided that the name under which the Co-op is incorporated shall also be printed and displayed in such places and in such a manner as to notify the public of the Co-op's incorporated status.

#### SECTION 2.

**Sales to Non-Members.** Non-Members may purchase goods from the Co-op, but a non-Member shall be entitled to patronage refunds only for credit towards the purchase of one share of Class A Common Stock and three shares of Class B Common Stock in the Co-op.

## ARTICLE III

### Membership

#### SECTION 1.

**Membership Defined.** The Members of this Co-op shall be the holders of at least one share of Class A Common Stock and at least three shares of Class B Common Stock, as provided herein.

#### SECTION 2.

**Becoming a Member.** A person may become a Member of this Co-op by the following methods:

- a. By purchase of one or more shares of Class A Common Stock and three or more shares of Class B Common Stock.
- b. By accrual of patronage refunds sufficient to buy one or more shares of Class A Common Stock and three or more shares of Class B Common Stock. Such accruals, after two consecutive calendar years, if insufficient to acquire such shares of Class A and Class B Common Stock, shall become part of the general reserve of the Co-op.
- c. By inheritance of one or more shares of Class A Common Stock and three or more shares of Class B Common Stock.
- d. By gift of one or more shares of Class A Common Stock and three or more shares of Class B Common Stock in the Co-op.

SECTION 3.

**Limitations on Membership.**

- a. No shareholder less than 18 years of age shall be eligible to be a Member of the Co-op.
- b. Where two or more persons own multiple shares of Class A and Class B Common Stock as joint tenants, each shall be a fully qualified Member of the Co-op independently of any other joint tenant, provided that there are at least one share of Class A Common Stock for each joint tenant and at least three shares of Class B Common Stock for each joint tenant and the joint tenant otherwise qualifies as a Member.
- c. A shareholder, otherwise qualifying as a Member, agrees to be bound by and to abide by the rules, policies, Bylaws and Certificate of Organization of the Co-op.

SECTION 4.

**Withdrawal from Membership.** Membership shall automatically be withdrawn when the Member's shares have been transferred such that the shareholder holds less than one share of Class A Common Stock and three shares of Class B Common Stock.

SECTION 5.

**Membership Roll.** A list of the Members with their last known addresses shall be kept by the General Manager. Members are responsible for advising the Manager of change of address.

SECTION 6.

**Presentation of Bylaws.** A copy of these Bylaws shall be given to each Member, upon becoming a Member.

SECTION 7.

**Shares Non-assessable.** No Member of the Co-op may be held liable for the debts of the Co-op beyond amounts credited towards Membership shares.

SECTION 8.

**Constructive Consent by Members.** In order that patronage refunds shall qualify as federal income tax deductions for the Co-op, its Members must be deemed to have given their consent to the following treatment of these funds. Each person who hereafter is accepted to Membership in the Concord Food Cooperative, Inc., and each Member of this cooperative on the effective date of this Bylaw who thereafter continues as a Member shall, by that act alone, consent that the amount of any distributions with respect to patronage occurring after February 24, 1966, which are made in written notice of allocation (*as defined in 36 U.S.C. 1388*) and which are received from the Co-op, will be taken into account at their stated dollar amounts in the manner provided in 26 U.S.C. 1385(a) in the taxable year in which such written notices of allocation are received.

## ARTICLE IV

# Membership Meetings and Role of Members

### SECTION 1.

**Membership Control.** The Members shall elect a Board of Directors to administer the affairs of the Coop. Through these Bylaws, the Members delegate to the Board of Directors certain powers and responsibilities, but retain for the Members the power and the right to amend the Bylaws and the Certificate of Organization.

### SECTION 2.

**Regular Meetings.** Each year the Annual Meeting of the Co-op shall be held within four calendar months following the end of the immediately preceding fiscal year. A second regular meeting of the Co-op shall be held four to eight months following the Annual Meeting at a date specified by the Board to address the business of the Co-op, including, without limitation, Bylaw changes. At the discretion of the Board, said second regular meeting may be cancelled or a social gathering of Members held in its place.

**Special Meetings.** Special meetings may be called by a majority vote of the full Board of Directors and must be called whenever a petition therefore, signed by at least ten (10) percent of the Members, is presented to the Board.

**All Meetings.** For the purposes of these bylaws, a Membership Meeting (Meeting of the Co-op; Meeting of the Members), including the Annual Meeting, shall last for a period of at least 3, but no more than 60, days, during which period ballots may be cast as provided in these Bylaws. All meetings shall provide for an assembly of Members (of more limited duration) in person to receive the report(s) of the Co-op. The duration of a meeting and the date, time, and place of the assembly of Members shall each be determined by the Board of Directors.

**Notice.** Notice of all Membership meetings (Annual, special or regular) shall be mailed to all Members at their last known address at least ten days prior to the beginning of the meeting or at such other time as may be required by law or Art. IX. Wherever the term "mail" is used in these Bylaws it shall refer to traditional paper mail and, to the extent permitted by law, shall also refer to transmission by electronic media such as, but not limited to, email.

### SECTION 3.

**Quorum.** In order for any action to carry, at least twenty-five (25) ballots, as certified by the Board, must be received by the end of the meeting. No minimum number of Members need be present in person at an assembly of Members.

### SECTION 4.

**Rights, Responsibilities and Limitations of Membership.** Every Member shall have an equal right to participate and to vote in regular and special meetings, to attend any meeting of the Board of Directors or of a committee, and to share in the distribution of net savings as provided in these Bylaws. Members have the right and responsibility to set the number of Directors; to elect the Directors; to recall any Member from the Board of Directors, committees, or any other office of the Co-op; to receive and act on the reports of Officers and the General Manager of the Co-op and of the committees responsible to the Board of Directors; to rescind or approve any decision of the Board, committees, or other offices in matters involving commitments of sums in excess of 5% of the last fiscal year's gross annual sales; to act on recommendations submitted by the Board of Directors; and to enact and amend the Bylaws and amend the Certificate of Organization of the Co-op as herein provided. Members should be willing to share, to the best of their abilities, in the "ownership responsibilities" of the Co-op and to stay informed of the Co-op's affairs.

SECTION 5.

**Voting.** With the exception of a motion to amend the Certificate of Organization, these Bylaws or any other matter required by law, the majority vote of the Members voting shall decide upon all business, including disposition of any patronage refund. Action on all matters including election of Directors shall be by ballot at the assembly of Members or by absentee ballot during the meeting. At the discretion of the Board, ballots may be made available to be picked up by Members at designated locations. Ballots shall be mailed (in paper or electronic media) to each Member. Each Member shall have one vote on all voting occasions and never more than one vote and there shall be no voting by proxy. Ballots shall be mailed out to Members (or made available for pick up) at least ten (10) days prior to the beginning of the meeting. To be counted, ballots must be delivered to the Secretary of the Co-op by mail, by deposit at designated sites within the store(s) or at the designated Membership assembly, or by electronic means set up for that purpose, prior to the end of the meeting. To be counted, a ballot must also meet certification standards set by the Board of Directors to ensure confidentiality, authenticity, and validity.

SECTION 6.

**Conduct of Meetings.** Except where the Bylaws and Certificate of Organization otherwise provide, Robert's Rules of Order, as revised, shall govern.

ARTICLE V

## Board of Directors

SECTION 1.

**Composition of the Board and Election of Officers.** Only Members of the Co-op may serve on the Board of Directors. The administration of the Co-op shall be vested in a Board of Directors, whose three year terms shall be staggered so that no more than three (3) seats expire each year. The Board of Directors shall consist of nine (9) Members. Directors shall be elected by the Membership during the Annual Meeting of the Co-op. After the conclusion of the voting by the Membership for the Board of Directors, the Directors shall elect the Officers and the Chair of the Nominating Committee from among the Members of the Board. The Officers shall be the President, Vice President, Secretary, and Treasurer. Directors and Officers shall serve until their successor is elected and qualified, as provided by law, these Bylaws, or the Certificate of Organization. The Board elections held in 2013 will elect six members: three seats for three-year terms and three seats for two-year terms. The three candidates with the greatest number of votes will be seated in one of the three-year seats. The three candidates with the fewest number of votes will be seated in one of the two-year seats.

SECTION 2.

**Employees as Directors.** Current employees and/or immediate family members of the Co-op shall not be eligible to serve on the Board of Directors. Former employees and/or immediate family members of former employees whom have reported directly to the current General Manager are excluded from serving on the Board of Directors until such time as the General Manager has vacated the position.

SECTION 3

**Responsibilities of the Directors and Disqualification of Directors.** Directors of the Co-op shall take care to properly discharge their responsibilities to the Co-op. If, in the opinion of a majority of the full Board, there is a reasonable demonstration that any Director is not properly discharging his or her responsibilities to the Co-op, that Director may be removed from the Board of Directors by a vote of three quarters of the full Board. Alternatively, a majority of the full Board may call a special meeting of the Members to consider and decide whether that Director should be removed from the Board.

SECTION 4.

**Vacancies.** The Board of Directors may fill by appointment any vacancy in an elective office (Director or Officer). Such an appointee shall hold office only until the next Annual Meeting, when the position shall be filled by election, and the newly elected individual shall serve the balance of the term, if any, associated with the vacated position.

SECTION 5.

**Duties.** The Board of Directors shall administer all business carried on by or on account of the Co-op. Regular meetings of the Board, on the call of the President and with due notice to the Directors and Members, shall be held at least quarterly. A majority of Directors shall constitute a quorum. Any Member of the Co-op may attend, as an observer, any meeting of the Board of Directors or of a committee, and may upon invitation of the President participate in its discussions. Notwithstanding the foregoing, upon a two thirds vote of the Directors present and voting, an executive session may be ordered closed to non-Directors solely for discussion of a specified subject or subjects. All binding decisions of the Board and its committees shall be made by recorded votes in open sessions. Unless otherwise expressly required by the Certificate of Organization, by these Bylaws or by law, a majority vote of the Directors present at a meeting at which a quorum has been satisfied shall be the act of the Board of Directors. The Board shall convene the Membership meetings of the Co-op. The President or any four Directors may call a special Board meeting by giving two days' written notice to the Secretary, specifying the object thereof. At the discretion of the President, when necessary to transact urgent business, special meetings of the Board may be conducted by telephone, and under such circumstances Directors participating by telephone shall be deemed present for purposes of these Bylaws. Directors must otherwise be physically present to vote or participate in meetings of the Board.

The Board shall act for the Co-op and be responsible for:

1. Engaging a General Manager of its business and determining his/her duties and emoluments.
2. Providing suitable facilities and equipment to conduct the business of the Co-op.
3. Insuring that the business is conducted in accordance with these Bylaws.
4. Controlling all investments.
5. Securing the soundness of the business of the Co-op by providing that all Officers and employees having custody of the funds or goods shall each give sufficient bond with corporate surety.
6. Providing favorable and productive conditions of employment in the service of the Co-op, and for requiring efficiency, faithfulness and diligence on the part of the staff.
7. Maintaining a direct and vital connection with other cooperative organizations.
8. Fostering a spirit of enthusiasm for cooperative effort, in the staff and among the Members of the Coop, and for encouraging them to identify themselves with every good feature of cooperative endeavor.
9. Determining special committees of the Co-op and designating a chairperson for each committee, who shall select the additional Members of such committees, subject to the approval of the Board of Directors. Such committees of the Co-op shall serve for one year unless otherwise specified.
10. Providing for an annual audit of the affairs of the Co-op by qualified auditors.

11. Keeping the Membership informed of the status of the Co-op, actions of the Board, policies adopted by the Board and providing proper notice of, and information concerning, matters being brought to the Membership for vote.
12. Maintaining an education program so as to spread the knowledge of cooperative principles and methods among the Membership, the community, and the region; to help the Co-op to acquire new Members and patrons; to help develop and maintain among the Members loyalty to their Co-op; to provide a program on cooperative theory and practice for employees and Members; to further the interests of Members as consumers of goods and services; and to assist groups in this community and region, who desire such help, to organize themselves into cooperative societies.

SECTION 6.

**Executive Committee.** The Executive Committee shall meet at the request of the President, and act when necessary, between the regular meetings of the Board of Directors and in the absence of a special meeting. The President, the Vice-President, the Treasurer and the Secretary shall constitute the Executive Committee of the Board of Directors. The Executive Committee shall meet as required to act on current business between regular meetings of the Board. The decisions of the Executive Committee shall be reported to the next Board meeting and shall be subject to the approval of the Board as a whole.

SECTION 7.

**Indemnification.** The Co-op shall indemnify and reimburse each past or present Director and Officer, and may, in its sole discretion by vote of a majority of disinterested Members of the Board, indemnify and reimburse any past or present employee or agent (or his/her legal representative), for all or any portion of reasonable expenses incurred in connection with the defense or reasonable settlement of any claim, action, suit, or proceeding brought against such person by reason of the fact that such person is or was Director, Officer, employee, or agent of the Co-op. Expenses subject to indemnification and reimbursement may include reasonable attorney fees, court costs, and such amount of any judgment, money decree, fine, penalty, or settlement for which such person may have become liable, as the Board in its sole discretion deems reasonable and appropriate. Notwithstanding the above, no indemnification or reimbursement shall be made to any person in connection with matters as to which such person shall be finally adjudged to not be entitled to the limitation set forth in New Hampshire RSA 292:2, V-a. Indemnification or reimbursement shall not be made if it is determined that such persons did not act in good faith or in the reasonable belief that their actions were in the best interest of the Co-op. If this determination is not made in a legal proceeding related to the claim, it may be made by a quorum of disinterested Directors. If not made or able to be made by either, the determination shall be made by independent legal counsel.

ARTICLE VI

## Duties of Officers, Committees and General Manager

SECTION 1.

**President.** The President shall preside at all Membership and Board of Directors meetings, set the agenda for Board meetings, sign and execute with the Treasurer all certifications of stock, sign such other documents as required on behalf of the Co-op, and shall perform any other duties required by the Board. All contracts not executed by the General Manager in the ordinary course of business shall be signed by the President and countersigned by the Secretary or another Member of the Board.

SECTION 2.

**Vice-President.** The Vice-President shall perform the duties of the President when the President is unable to do so. Should the President and the Vice-President both be absent from a Membership or Board meeting, the Officers and Directors present shall elect one from among themselves to chair the meeting.

SECTION 3.

**Secretary.** The Secretary shall attend all meetings of the Membership and the Board of Directors and be responsible for recording the names of all Directors present, all votes and proceedings of each meeting, and the minutes of their proceedings, or designate such a person to do so. All contracts approved and entered into by the Board shall be countersigned by the Secretary or another Member of the Board. The Secretary shall be responsible for all correspondence, and keep the records, documents and other papers of this Co-op in such a manner and for such purposes as the Board may require.

SECTION 4.

**Treasurer.** The Treasurer shall: attend all meetings of the Membership and of the Board of Directors, and present such reports at such meetings as requested by the Board; be responsible for overseeing the financial condition of the Co-op; shall sign with the President all certificates of stock; review with the Board at least quarterly a Statement of Income and Expense and a Balance Sheet; and keep the Board informed of the financial status of the Co-op by reports at the regular meetings of the Board prepared either by the Treasurer, the General Manager, or the designee of the General Manager. The Treasurer shall review the Annual Budget as developed by the General Manager and make recommendations to the Board of Directors as to its appropriateness.

SECTION 5.

**Finance Committee.** The Board of Directors shall establish a Finance Committee. The primary duty of the Finance Committee shall be to make recommendations to the Board of Directors regarding the management and oversight of Co-op finances. The Finance Committee shall have such further duties related to the finances of the Co-op as the Board of Directors may direct.

SECTION 6.

**Nominating Committee.** The duties of the Nominating Committee shall be to present a slate of candidates to fill vacancies on the Board of Directors and to encourage a contest. The Nominating Committee shall also provide the various other committees of the Co-op with the names of Members who may be qualified to serve on their committee. The Board of Directors shall elect the Chair of the Nominating Committee from among the Members of the Board and shall appoint additional Members to the Committee from among the Members of the Co-op in sufficient number and of such capability and diversity, as to carry out an effective election process. The Chair shall serve in such capacity for a term of one year or until his/her successor is duly elected and qualified. Any Member may volunteer to be considered as a candidate for the Board of Directors by submitting his or her name and a statement of interests and qualifications to the Chair of the Nominating Committee. The inclusion of such a Member on the slate of nominees nominated by the Nominating Committee shall be at the Nominating Committee's discretion. In addition, a Member has the right to be nominated by petition of at least 25 eligible-to-vote Co-op Members. This petition must be submitted to the Chair of the Nominating Committee in time for candidate information to be included in the Annual Report, which is mailed to all Members. Such a candidate will be identified in the roster of candidates as being nominated by petition in contrast to candidates nominated by the Nominating Committee.

SECTION 7.

**Committee Chair, Meetings and Action.** The Board of Directors may establish additional Committees for such purposes as it desires including, without limitation, for the purposes of:

- a. development and oversight of personnel policies, including the terms of employee hire and termination, and periodic, regular evaluations of the Co-op's general manager;
- b. organization and coordination of Membership events, both educational and entertaining;

- c. governance of the Co-op and short and long-term planning for the Co-op;
- d. recruiting new Members, and maintaining and serving existing Members;
- e. development and perpetuation of the Board through recruitment and training; and
- f. any other matter important to the continuing vitality of the Co-op or to its Membership, and that further the purposes and objectives of the Co-op.

The Board of Directors shall appoint the Chair of each Committee. A majority of Committee Members in person or by phone shall constitute a quorum and a majority vote of those present, in person or by phone, shall carry an action. The Chair of the Committee shall appoint Members of a Committee from the Board and the Co-op Members. Directors need not constitute a majority of any Committee. The Chair of the Committee shall be responsible for coordinating the efforts of the Committee.

SECTION 8.

**General Manager.** The General Manager is directly responsible to the Board of Directors for the administration and supervision of the business of the Co-op.

ARTICLE VII

## Capital

SECTION 1.

**Fiscal Period.** The business period of the Co-op shall be a fiscal year beginning on July 1st and ending at midnight June 30th.

SECTION 2.

**Sources of Capital Funds.** The capital funds of the Co-op shall be composed of:

1. the funds paid in by the Members for capital stock;
2. funds borrowed from its Members or from other sources;
3. the accumulated surplus savings from its business; and
4. income from its properties and other assets.

SECTION 3.

**Share Capital.** Authorized share capital of the Co-op shall be as provided in the Co-op's Certificate of Organization.

SECTION 4.

**Shareholders of Record.** A record of stockholders and the outstanding stock shall be kept by the General Manager in a stock book for that purpose. Only persons owning shares as a matter of record shall be recognized as shareholders of the Co-op. Anyone acquiring shares other than from the Co-op shall provide such proof of ownership to the Co-op as it may require. A shareholder's ownership of shares shall be recorded identifying the shareholder's full name and the number of shares purchased. Actual paper certificates need not be issued, unless required by law. If certificates are issued, they shall be signed by the President and Treasurer and shall be impressed with the Seal of the Co-op, if any.

SECTION 5.

**Dividends.** No dividends shall be paid on Class A Common Stock. As determined by the Board of Directors, dividends may be paid on any one or more of the remaining classes of stock.

SECTION 6.

**Transfer, Sale, Repurchase or Redemption of Shares.** The Directors may recall, at par value, using reserve funds, the holdings of any Member in excess of the amount requisite for Membership. If a Member has failed to patronize the Co-op for a period of twenty-four (24) months, the Directors may use reserve funds to recall all the Member's holdings. Said Member shall thereupon cease to be a Member of the Coop. Shareholders desiring to dispose of shares must first offer them to the Co-op through the Board of Directors, which is authorized to redeem all or some of the shares at a price not exceeding their par value or book value, if the latter be less. The duration of the option of the Co-op to repurchase shall be sixty (60) days, after which the shareholder shall have the right to dispose of them to any person. Transfers of the shares of this Co-op shall not be binding until made upon its books, and no transfers shall be completed until the old certificate or certificates (if any) have been endorsed and surrendered and a new certificate (if any) has been issued in the name of the purchaser.

SECTION 7.

**Authority of the Board of Directors to Transfer Shares of Stock in the Co-op.** If the whereabouts of an owner of shares of stock in the Co-op are unknown, the Board of Directors shall declare the shareholder inactive and shall transfer the share capital into a special fund hereafter called the Unclaimed Share Capital Fund. If such share capital are unclaimed in eight (8) years following their transfer to the Unclaimed Share Capital Fund, the Board of Directors shall have the right to redeem the shares, thereby canceling any Membership, and transfer the share capital to the general reserve fund of the Co-op, provided due notice and warning have been given in the public press and the laws of the state of New Hampshire have not been violated.

SECTION 8.

**Lien on Capital.** The Co-op shall have an absolute lien on the share or loan capital, and on the interest due thereon, of any Member or any subscriber to share capital for debts owed by said Member or subscriber to the Co-op.

SECTION 9.

**Loan Capital.** The Co-op may borrow money from its Members or from non-Members in such amounts and upon such terms, with respect to interest, maturity, security, and otherwise, as the Board of Directors may determine.

SECTION 10.

**Reserve Fund.** This fund shall consist of an annual allotment of not less than that percent required by law of the net savings or earnings of the business for each year, contributions from individuals, confiscated capital of removed Members, and any other funds appropriated to it by action of the Board of Directors or the general Membership meetings; provided however, that in the event that said reserve fund exceeds 30% of both the paid-in and subscribed capital determined as of the end of the fiscal year, then the annual allotment to the reserve fund shall be determined by the Board of Directors. The reserve fund shall be for the purpose of unforeseen losses due to extraordinary depreciation of equipment, fire, theft, or other causes, for the extension of the Co-op as a consumer cooperative, or for any program of social welfare or insurance or other development directly associated with the cooperative movement as shall be decided by a general meeting of the Membership. The reserve fund shall be the indivisible property of the Co-op as a whole and shall not be depleted by payment of patronage refunds.

ARTICLE VIII

## Distribution of Net Savings

SECTION 1.

**Determination of Net Savings.** Within sixteen weeks after the end of each fiscal year the difference between the gross receipts, from whatever source, and the total cost of doing business, including interest cost, shall be determined by a Certified Public Accountant selected by the Board of

Directors and having no financial interest in the Co-op. This difference will be designated as the net savings for the year.

SECTION 2.

**Division of Net Savings.** Following the close of each fiscal year the net savings for the year shall be allocated or distributed to all Members or patrons in proportion to their transactions, patronage, sales, or labor within one or more departments of the Co-op, provided that the net savings may be retained to expand services or reduce charges to Members or patrons. The Board of Directors shall apportion the net savings of the Co-op in accordance with New Hampshire law and shall have such discretion as permitted under said law. (See NHRSA 301-A:28).

SECTION 3.

**Patronage Records.** The Board of Directors shall determine a process by which accurate records may be kept of each Member's and non-Member's patronage of the Co-op for the purpose of determining patronage refunds and other purposes. The Board of Directors shall give sufficient notice in the Co-op's publications and in the Co-op's stores of the process to the Co-op's Members and non-Members, as the Board of Directors may from time to time determine.

SECTION 4.

**Manner of Distribution of Patronage Refunds.** If, in the discretion of the Board, distribution of patronage refunds in cash would injuriously deplete the working capital of the Co-op, it shall be the right of the Board to decide that payments be made in the form of shares of capital stock. (See NHRSA 301-A:28). A Member may elect that a patronage refund be paid in the form of shares of capital stock. If a Member so elects the Member shall notify the Co-op. Non-Members shall be eligible for all patronage refunds, provided that the patronage refund shall only be applied to the purchase of stock to allow the non-Member to become a Member; and further provided the non Member advises the Co-op of its election to so apply its allocation of patronage refund. Such allocation shall be recorded as stock subscriptions for one share of Class A Common Stock and three Class B Common Stock and held in the books of the Co-op in individual subscription accounts until the account accumulates to one hundred dollars (i.e., full payment for said shares). At that time the patron shall become a Member of the Co-op and shall be credited as the owner of record of one share of Class A Common Stock and three shares of Class B Common Stock. A non-Member wishing to have patronage refunds so applied shall provide the Co-op with evidence of patronage sufficient to allow the calculation of the non-Member's patronage refund. If a Member redeems the shares necessary for Membership in the year acquired, the Member will not be entitled to patronage refunds for the year in which the stocks are sold. A Member may repurchase one share of Class A Common Stock and three shares of Class B Common Stock prior to the calculation of the next patronage refund and be reinstated to full Membership rights. Stock subscription accounts which have not accumulated to one hundred dollars, and to which no credits have been applied for a period of two years, shall be transferred to donated surplus.

ARTICLE IX

## Amendments

The Certificate of Organization may be amended by a two-thirds (2/3) vote of the Members voting by ballot at a regular or special meeting of the Members. The Bylaws may be amended by a two thirds (2/3) vote of the Members voting by ballot at a regular meeting of the Members. A committee, appointed by the President with the approval of the Board of Directors, shall review all proposed amendments in order to render their wording consistent with the Certificate of Organization and Bylaws of the Co-op and with the laws of the State of New Hampshire governing consumer cooperatives. At least thirty (30) days before the voting period called to consider an amendment, the proposed amendment shall be mailed to all Members of the Co-op together with explanation of the manner and time by which votes must be submitted.

Revised May 11, 2013